GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA

UNSTARRED QUESTION NO:758
ANSWERED ON:21.11.2016
Purchases Made through GeM
Choubey Shri Ashwini Kumar

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether the items earlier on Directorate General of Supplies and Disposals (DGS&D) rate contract and now on Government e-market (GeM) place are procured mostly not on GeM but against the rate contract concluded by other government agencies like National Informatics centre services Incorporated (NICSI) and if so, the details thereof;
(b) the details of items along with the rates where rates on GeM are/were more than DGS&D rates/popular e-commerce sites like Amazon/Snapdeal/ Flipkart;
(c) the details of purchases of computer made on GeM by Jharkhand Court from treating only one eligible supplier despite the fact that numbers of known computer brands are available in country and the reasons therefor; and
(d) whether rates of computers purchased by Jharkhand Court on GeM were higher than the rate contract of DGS&D and if so, the details thereof indicating the increase in percentage along with the reasons therefor?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (INDEPENDENT CHARGE)
(SMT. NIRMALA SITHARAMAN)

(a) & (b): Government e-Marketplace (GeM) is a new initiative of Government launched in August 2016. GeM is expected to bring more transparency and efficiency in public procurement as it is a completely online and end-to-end procurement portal with simplified and automated processes for vendor and buyer registration, product/service listing, contract placement & management and time-bound payment to vendors. Since it is a marketplace, it provides a platform for dynamic pricing along with tools for Bidding & Reverse Auction as against static & long term pricing on NICSI and DGS&D Rate Contract. The rates on GeM are found to be more competitive in comparison between the rate listed under GeM, NICSI and Rate Contract has been done in few select Goods and Services in the following table and it could be seen that the rates offered in GeM based on actual order are lesser than NICSI and Rate Contract. Further, rates offered in GeM are dynamic in nature.

Items GeM rate in Rs. DGS&D/NICSI Rate Contract/Tender in Rs Savings %
LI UPS(.8KVA)/168 VAH 3060 3659(RC Rate) 19.57
LI UPS(1)/168 VAH 4043 4278 (RC Rate) 5.81
Hiring of Swift Dzire taxis on monthly basis 28000 32500 (Tender rate) 16.07
Laser jet printer 7348 8643 RC Rate
11234 NICSI Rate(3 yr warranty) 15/34.6
Photo copier Machine 97000 152250 (RC Rate) 56.95
Pass Book Printer 20890 23312 NISCI rate 10.4

The current prices on e-commerce sites are made available on GeM portal for the benefit of the buyers to establish price reasonableness. However, precise comparison cannot be done on account of different terms & conditions on GeM and e-Commerce sites. It has been invariable noticed that when buyers have gone for Bidding or Reverse Auction, the prices obtained are much lower than the e-Commerce sites. Buyers are encouraged to go in for Bidding/RA in order to derive maximum benefits.

(c): Jharkhand High Court procured 699 numbers of Intel i3 based Desktop Computers Model No.RC-31-Dell Optiplex 3040 MT and 233 numbers of Intel i5 based Desktop Computers Model No. RC-35-Dell Optiplex 3040 MT through GeM. Jharkhand High Court had taken prior approval of the competent authority for purchasing these specific models of Dell make Desktop computers through GeM.

(d): The Desktop Computers purchased by Jharkhand High Court were not available on DGS&D Rate Contract. The Desktop computers available on GeM and purchased by Jharkhand High Court were of superior 6th Generation processor as against 4th generation processor of Dell make available on DGS&D RC. Nevertheless, the GeM prices for the purchased computers were same as that of the 4th Generation computers on DGS&D RC.
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